



King County

K.C. Date Received _____

CONSERVATION FUTURES (CFT) 2016 ANNUAL COLLECTIONS APPLICATION FOR FUNDS

PROJECT NAME: Protecting King County's Last Remaining Dairy Farms

Applicant Jurisdiction(s): King County Department of Natural Resources and Parks

Open Space System: Enumclaw Plateau and the Snoqualmie River Agricultural Production Districts

(Name of larger connected system, if any, such as Cedar River Greenway, Mountains to Sound, a Regional Trail, etc.)

Acquisition Project Size: 1,530 acres and 66+ parcels

(Size in acres and proposed number of parcel(s) if a multi-parcel proposal)

CFT Application Amount: \$600,000

(Dollar amount of CFT grant requested)

Type of Acquisition(s): ☐ Fee Title ☒ Conservation Easement ☒ Other: Development rights

CONTACT INFORMATION

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Date: March 18, 2015

PROJECT SUMMARY:

This 2016 proposal builds on the existing dairy farm protection project initiated and funded by CFT in 2014. The project will preserve King County dairies and the surrounding farmland that supports them. The number of dairy farms in operation in King County has been dramatically shrinking over the last two decades; there are approximately 26 licensed dairy farms currently in operation in the County, versus 83 licensed dairies in 1991. We have identified ten dairies that are not already in the Farmland Preservation Program. Two are located in the Snoqualmie Valley APD and eight are located in the Enumclaw APD. Protecting the farmland, along with other efforts, such as the manure digester on the Enumclaw plateau will help ensure the future of dairy farms, a critical component of our local food supply, feeding thousands of residents with locally produced milk, cheese, and yogurt.

Dairies are some of the largest farms in the county, and most have extensive infrastructure to maintain their operations. Many of the dairies also rely on leasing additional pasture land to spread manure and grow feed. This project will remove some or all of the development rights from both dairy-owned and dairy-leased land to keep it from being divided into large residential estates. The effort will ensure that the land and the associated buildings

will be available for future farming, whether or not the current dairy operations continue. This multi-year, multi-property, multi-owner project will use CFT funds alongside transfer of development rights (TDR) funds to acquire farmland protection easements and development rights.

This means that instead of extinguishing development rights (as has been the case in the past in the FPP program), the development rights will be removed from the property and transferred and sold into cities, most specifically the city of Seattle, for increased urban density via the TDR program. Combining TDR and FPP efforts in this way will allow King County to: (1) increase levels of farmland protection, (2) use TDR funds as match with local CFT funds, (3) recoup and revolve CFT funds for *additional* farmland protection into the future, and (4) achieve strategic growth management objectives.

Current Status and Accomplishments of the TDR/FPP Dairy Farm Protection project:

- In 2013/14 CFT awarded this project \$400,000.
- During 2014 and early part of 2015 we advanced negotiations with, and had appraised the following five dairy farms: Foster farm, DeJong farm, VanWieringen farm, Suhooversnik farm, and the Keller farm.
- In 2015 TDR and FPP programs successful closed on the protection of the 135 acre Foster Dairy farm in the Snoqualmie APD; the transaction used \$142,000 of CFT funds and \$142,000 of TDR funds as match.
- In 2014/15 CFT awarded this project an additional \$400,000 to fund the acquisition of easements on these dairies.
- We are currently in active negotiations with the other four dairy farms mentioned above, and expect two of these farms to follow-through to closing by mid-2015; the total cost of easement purchase is expected to be about \$1,000,000 for two of these four dairies using \$500,000 of existing CFT project funds and \$500,000 of existing TDR funds (from previous recent sales to Seattle developers) as match. The project would have an approximate balance of \$158,000 remaining CFT funds following these 2015 transactions.

Five *additional* dairy farms are prioritized for appraisal and acquisition in 2016; these are: Koopman farm, Prijatel farm, Van Hoof #2, VanDam farm, and the Wetzel farm. Together these farms total 306 acres. We have engaged these landowners and they are interested in exploring sales of development rights, and agreed to appraisals. We expect that two, perhaps three, of these farms will advance to close in 2016, for total purchase price of \$1.2 million for easements on three of these dairies. TDR funds will provide \$600,000 in match pending the close of TDR bank sales to Seattle developers in 2015; these TDR sales are in escrow set to close pending permits from the City of Seattle.

1. OPEN SPACE RESOURCES

- | | |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> A. Wildlife habitat or rare plant reserve | <input type="checkbox"/> E. Historic/cultural resources |
| <input checked="" type="checkbox"/> B. Salmon habitat and aquatic resources | <input type="checkbox"/> F. Urban passive-use natural area/greenbelt |
| <input checked="" type="checkbox"/> C. Scenic resources | <input type="checkbox"/> G. Park/open space or natural corridor addition |
| <input checked="" type="checkbox"/> D. Community separator | <input type="checkbox"/> H. Passive recreation opportunity/unmet needs |

Wildlife habitat or rare plant reserve: Two of the dairies in the Enumclaw APD contain sections of Boise Creek, which is an important tributary to the White River Basin, providing habitat and migration corridors for a wide variety of animals. Wildlife observed within the Enumclaw and Snoqualmie Valley APDs include elk, marsh hawks, osprey, red tailed hawks, bald eagles, heron, coyote, deer, ducks and geese, songbirds, and amphibians. The Snoqualmie Valley farms, as well as those on the Enumclaw plateau consists of pasture, grazed wet meadows, palustrine emergent seasonably flooded wetlands, and narrow riparian zones.

Salmon habitat and aquatic resources: Boise Creek is one of the most productive tributary salmon streams in the White River Basin for chinook, steelhead, and coho. It has been estimated that 25% of the chinook tributary spawning within the White River Basin occurs within Boise Creek based on a decade of spawning surveys by the Washington Department of Fish and Wildlife and Puyallup Tribal Fisheries. Two of the dairies on the northern end of the Enumclaw APD contain tributaries that flow directly into Newaukum Creek, which is also a productive salmonid stream and one the County has been engaged in protecting for dozens of years. The Snoqualmie APD

dairies are located along the Snoqualmie River, which contains many salmonids including chinook, coho and steelhead. Over time it is believed riparian habitat can be materially improved in the Boise and Newaukum stream reaches by expanding the riparian buffer; TDR, and now FPP covenants, allow predetermined areas to be restored and therefore, present an excellent mechanism to accomplish aquatic resource protection in the future. Negotiations with the landowners will include discussion of possible aquatic resource improvements.

Scenic Resources: All identified dairy properties located on the Enumclaw plateau protect and provide views of Mount Rainier, the Cascade foothills, Boise Creek, and other adjacent farmlands. The two Snoqualmie Valley properties protect and provide views of the Cascade foothills, Mount Rainier, Mount Baker, Snoqualmie River, and other adjacent farmlands. Scenic rural vistas of all identified properties are enjoyed by the traveling public from the adjoining public roads.

Community Separator: Two of the dairies adjoin the City of Enumclaw's southern boundary. The King County Agriculture Commission previously rated them as high priority for development rights acquisition as its preservation would permanently protect it and other adjacent farmlands from encroachment by the City. All identified dairies are either within the Enumclaw Plateau Agricultural Production District or Snoqualmie Valley Agricultural Production District, County - designated resource areas of long-term commercial significance. As shown on the attached maps, several of the dairies are adjacent to other County-owned properties and all are in close proximity to other preserved farmlands.

2. ADDITIONAL FACTORS

- ☐ A. Educational/interpretive opportunity
- ☒ B. Threat of loss of open space resources
- ☒ C. Ownership complexity/willing seller(s)/ownership interest proposed
- ☒ D. Partnerships - Describe any public or private partnerships that will enhance this project
- ☐ E. Is the property identified in an adopted park, open space, comprehensive, or community plan?
- ☒ F. Transferable Development Credits (TDC) participation

Threat of loss of farmland resources: In 1959, there were approximately 100,000 acres of prime farmland in King County; however, by the late 1970's approximately half of these acres had been permanently converted to other uses. The inception of the Farmland Preservation Program (FPP) in 1979 and the implementation of a variety of County policies and initiatives since then have helped to greatly reduce the loss of farmland. However, by current estimates, the original 100,000 acres of prime farmland that existed in 1959 are now reduced to approximately 41,000 acres. Most of these prime farmlands are within the designated Agricultural Production Districts (APDs) and, although this designation offers some protection, it is frequently challenged and may not be sufficient to provide protection on a permanent basis. Purchasing the development rights allows the County to place covenants on the property which limit it to agriculture and open space uses. It also removes the property's speculative value, thereby helping to ensure that the property will remain affordable and thus available for agriculture or open space uses.

Ownership complexity/willing seller(s)/ownership interest proposed:

Five dairy farms are prioritized for appraisal and acquisition in 2016; these are: Koopman farm, Prijatel farm, Van Hoof #2, VanDam farm, and the Wetzel farm. We have engaged these landowners and they are interested in exploring sales of development rights, and agreed to appraisals. We expect that two, perhaps three, of these farms will advance to close in 2016, for total purchase price of \$1.2 million for easements on three of these dairies. This 2016 application for \$600,000 seeks to add to the existing project to ensure sufficient funding is available to close on 2-3 dairy farm transactions in 2016.

Partnerships: This project will implement and advance the partnership agreement that King County and the City of Seattle are entering into to allow farmland development rights to be transferred and sold into the Downtown and South Lake Union. In total, 800 development rights will be permitted into the City to allow greater urban density; significant priority is given to development rights from farmlands in King County because this furthers

the City's and County's policy goal to protect active farmland that contribute to the local food supply. Local dairies and the milk, cheese, and yogurt they produce are a critical component to the region's food web.

TDR/FPP Partnership: This joint acquisition strategy is a partnership of two County programs, the Farmland Preservation Program (FPP) and the Transfer of Development Rights (TDR) Program. The FPP/TDR coordination will also showcase how levels of restrictions put into farmland conservation easements can remove the threat of development *and* seek to maintain land in active production. The effort will apply the understanding that in order to achieve full and complete protection of a farm operation, as envisioned by the FPP's covenants, it may - depending on the current farmland owner - take several transactions over a period of years that add layers of increasing restrictions.

TDR bank funds will be used as the matching value for the CFT award. This funding approach will enhance this project by assisting in the preservation of over 1,500 acres of prime farmland, and subsequently free up future CFT funds to be used in other valuable acquisitions. The sale of these development rights into Seattle and other cities, and the subsequent purchase/protection of additional farmland in the future with the sale proceeds will further leverage scarce CFT funding.

TDR bank is currently matching \$500,000 in 2015 for potential acquisitions of Suhoversnik and Van Wieringen Dairy farms; in 2016 the TDR bank will apply \$600,000 of funds as match to acquisitions on two or three of the following dairy farms: Koopman farm, Prijatel farm, Van Hoof #2, Van Dam farm or the Wetzel Farm.

3. STEWARDSHIP AND MAINTENANCE

How will the property be stewarded and maintained? Does the property lend itself to volunteer stewardship opportunities? How will ongoing stewardship and maintenance efforts be funded?

Although the development rights are formally removed from a property, the remaining property interests are privately owned. FPP staff regularly monitors the properties to ensure that the owners are aware of the restrictive covenants that are on their property and are complying with them. Monitoring activities include site visits and meeting with the property owner as well as routinely driving by properties and checking aerial photographs of preserved properties. Site visits and meetings with property owners are generally done once every three to five years unless a situation warrants more frequent visits. If a covenant violation is noted, staff informs the owner of the violation and work with them to resolve it. If such means of resolving a violation are unsuccessful, the County has the option of resolving it through litigation.

Funding for staff to monitor FPP properties and perform other program management activities is included as an expense item in the County's annual budget.

4. PROJECT BUDGET

1) TOTAL CFT APPLICATION AMOUNT ^a	CFT: \$600,000
2) TOTAL PEL APPLICATION AMOUNT ^b	PEL: \$0

^aAllowable CFT acquisition costs (Ordinance 14714): The disbursement of funds shall be made only for capital project expenditures that include costs of acquiring real property, including interests in real property, and the following costs: the cost of related relocation of eligible occupants, cost of appraisal, cost of appraisal review, costs of title insurance, closing costs, pro rata real estate taxes, recording fees, compensating tax, hazardous waste substances reports, directly related staff costs and related legal and administrative costs, but shall not include the cost of preparing applications for conservation futures funds.

^bKing County projects only, if applicable.

Estimation of property value:

Briefly note how land values have been estimated (i.e., appraisal, property tax assessment, asking price, letter of value or other means).

This estimate of cost is based on a recent appraisal of the value of the development rights on a comparable property in the Enumclaw APD. The appraisal determined the “before” value of the property and the “after” value once the development rights were removed. The value of the development rights was the difference between the “before” and “after” values and provided the basis for the estimate shown below.

PROJECT COSTS	ESTIMATED DOLLAR AMOUNT OR RANGE
Total property interest value (2 – 3 dairy farms)	\$1,200,000
Title and appraisal work	\$15,000
Closing, fees, taxes	\$15,000
Relocation	\$0
Hazardous waste reports	
Directly related staff, administration and legal costs	\$10,000
Total Project Costs (CFT and other funds)	\$1,240,000

MATCHING FUNDS: Existing Sources (CFT can only provide a maximum of 50% of anticipated project costs)	DATE (Expended or Committed)	DOLLAR AMOUNT (Expended or Committed)
King County’s Transfer Development Rights program bank	12/2016	\$600,000 <i>as match for 2016 acquisitions</i> <i>TDR has matched \$142,000 for Foster and is matching \$500,000 for 2015 acquisitions</i>
Total CFT Funds Previously Received This Project	1/2014 & 1/2015	\$800,000 <i>less \$142,000 spent on Foster</i> <i>less \$500,000 to be spend in Q3 2015</i> <i>balance = \$158,000</i>
Total Matching Funds and Past CFT Funds Currently Identified		\$800,000 <i>past CFT</i> \$1,242,000 <i>TDR match (2014,15,16)</i>
Unidentified Remaining Match Need		\$0

Unidentified remaining match need: What funds are anticipated and what is the time frame?

Please briefly discuss how the unidentified remaining match need above will be met.

The future sale of the development rights by King County into Seattle, and the subsequent purchase/protection of additional farmland will be used as the remaining matching need, unless the TDR bank is able to close on pending sales in 2014 to bring in additional match prior to closing on the dairy farm transactions.

5. IN-KIND CONTRIBUTIONS FROM PARTNERSHIPS

Brief Activity Description	Dollar Value of In-kind Contribution	Status (Completed or Proposed)	Activity Date Range (Completion Date or Proposed Completion Date)
none			
<i>TOTAL</i>	<i>Not applicable</i>		

6. ATTACHED MAPS (Two maps are now required: 1) site map and 2) general location map; you may also include one additional map, aerial photo or site photo)

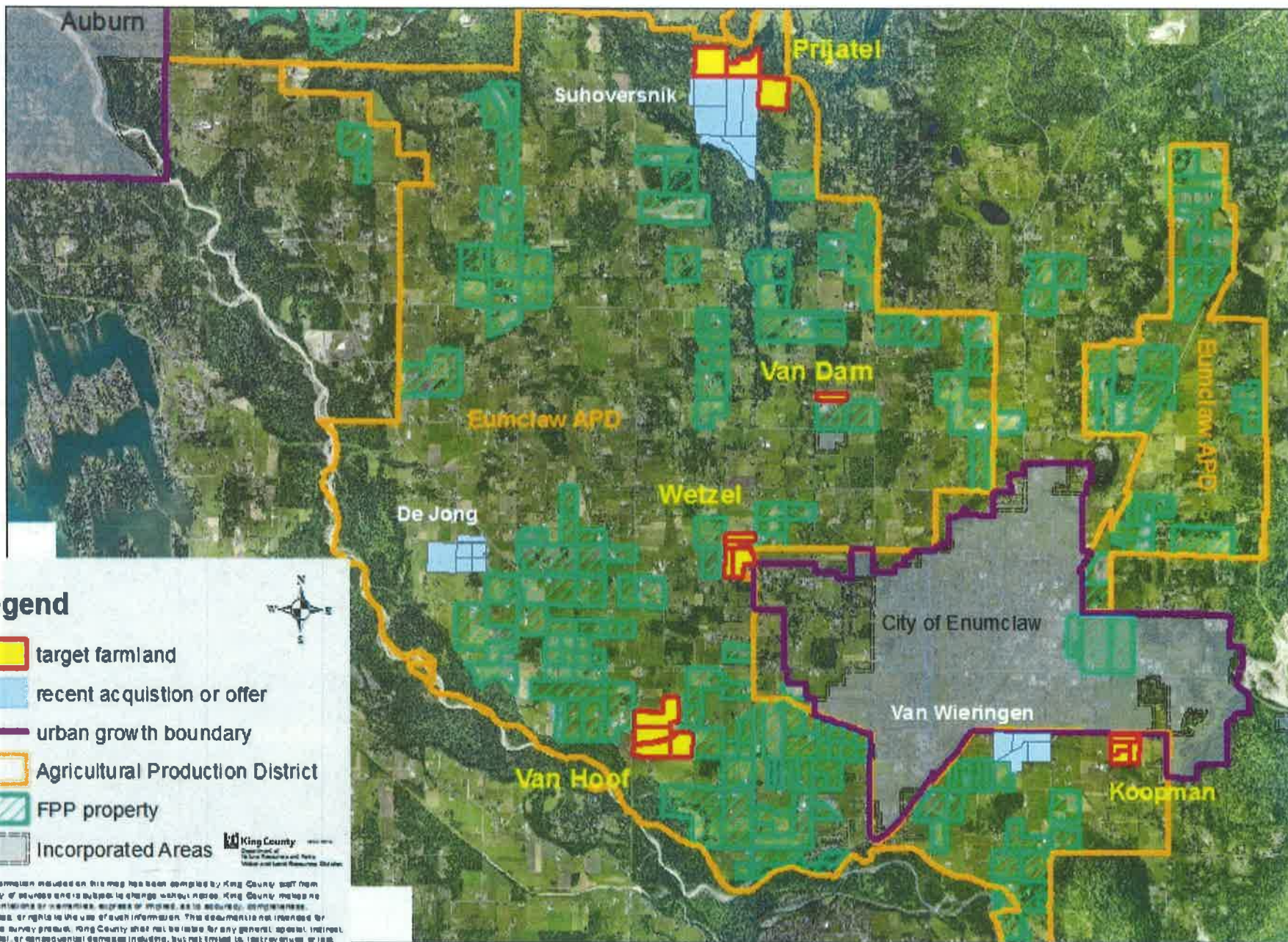
8 ½ x 11" maps are preferred, but 11 x 17" is acceptable if folded and hole-punched for insertion into a three-ring binder.

Site Map that shows the following:

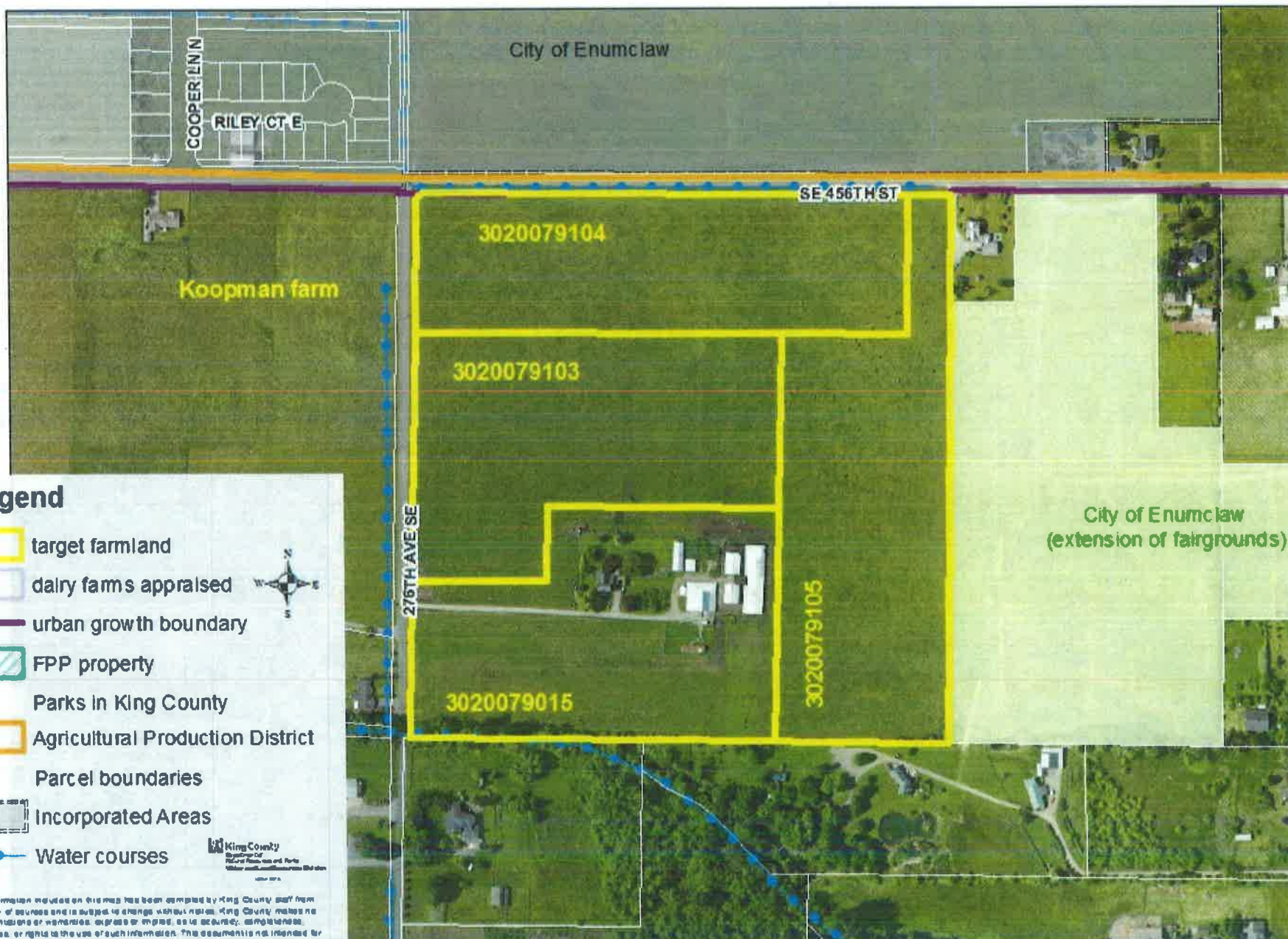
- Each parcel proposed for acquisition in yellow or distinct shading and an indication of any parcel proposed for less than fee simple acquisition, such as a conservation easement;
- Location of any proposed development to the site such as parking, trails or other facilities;
- Location of any proposed site restoration;
- Existing adjacent public (local, state or federal) parks or open spaces labeled and shown in dark green or distinct shading.

Location Map that shows the following:

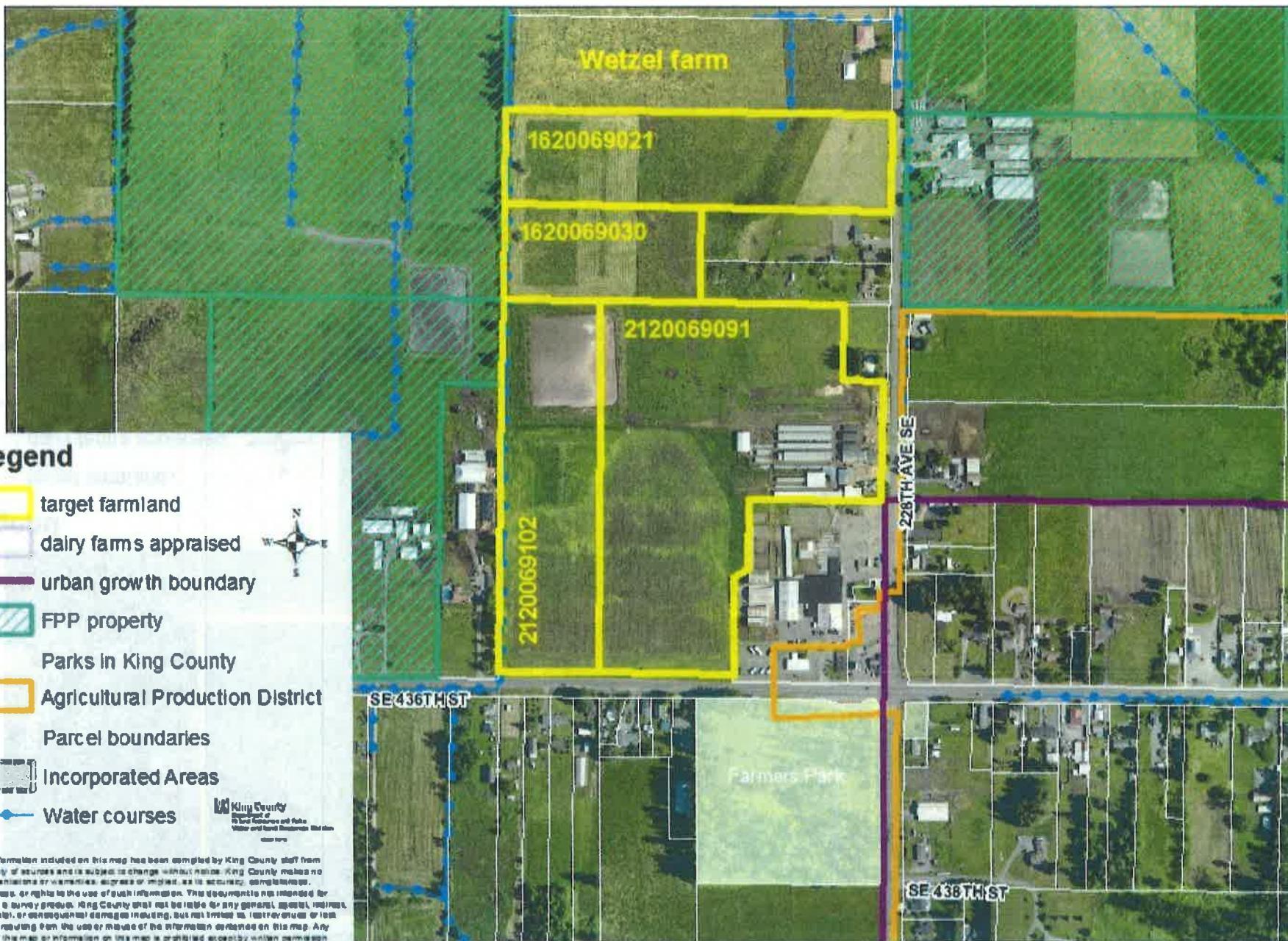
- Other permanently protected open spaces (private, non profit, institutional, etc.) shown in light green or distinct shading;
- Major water courses such as creeks, rivers, lakes or wetlands;
- Major roads, arterial roads or regional trails.
- *Map scale: This map should show approximately a ten-mile radius around the proposed acquisition(s).*



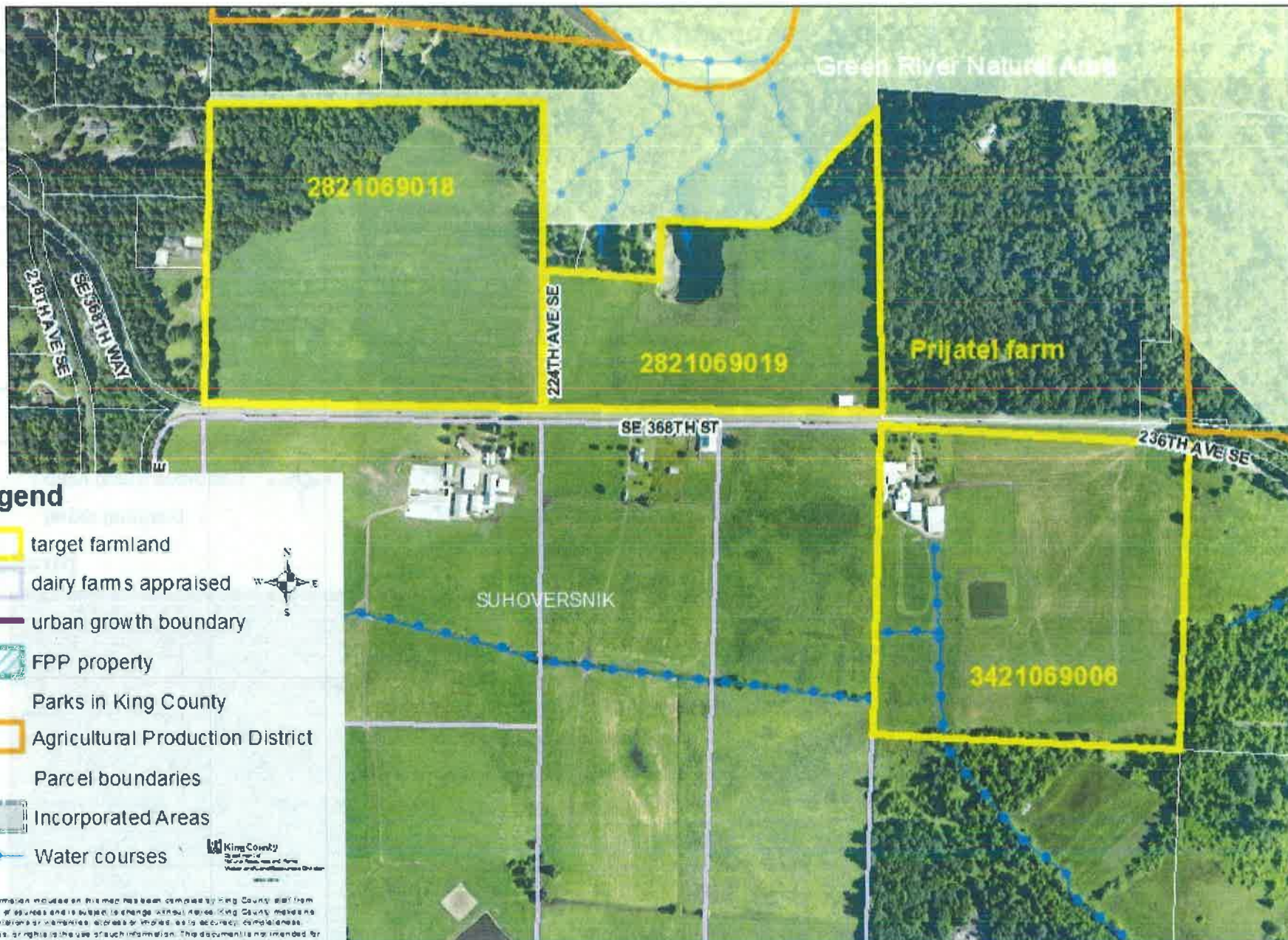
CFT Dairy Initiative - Enumclaw Agricultural Production District



CFT 2016 Dairy Initiative - Koopman farm

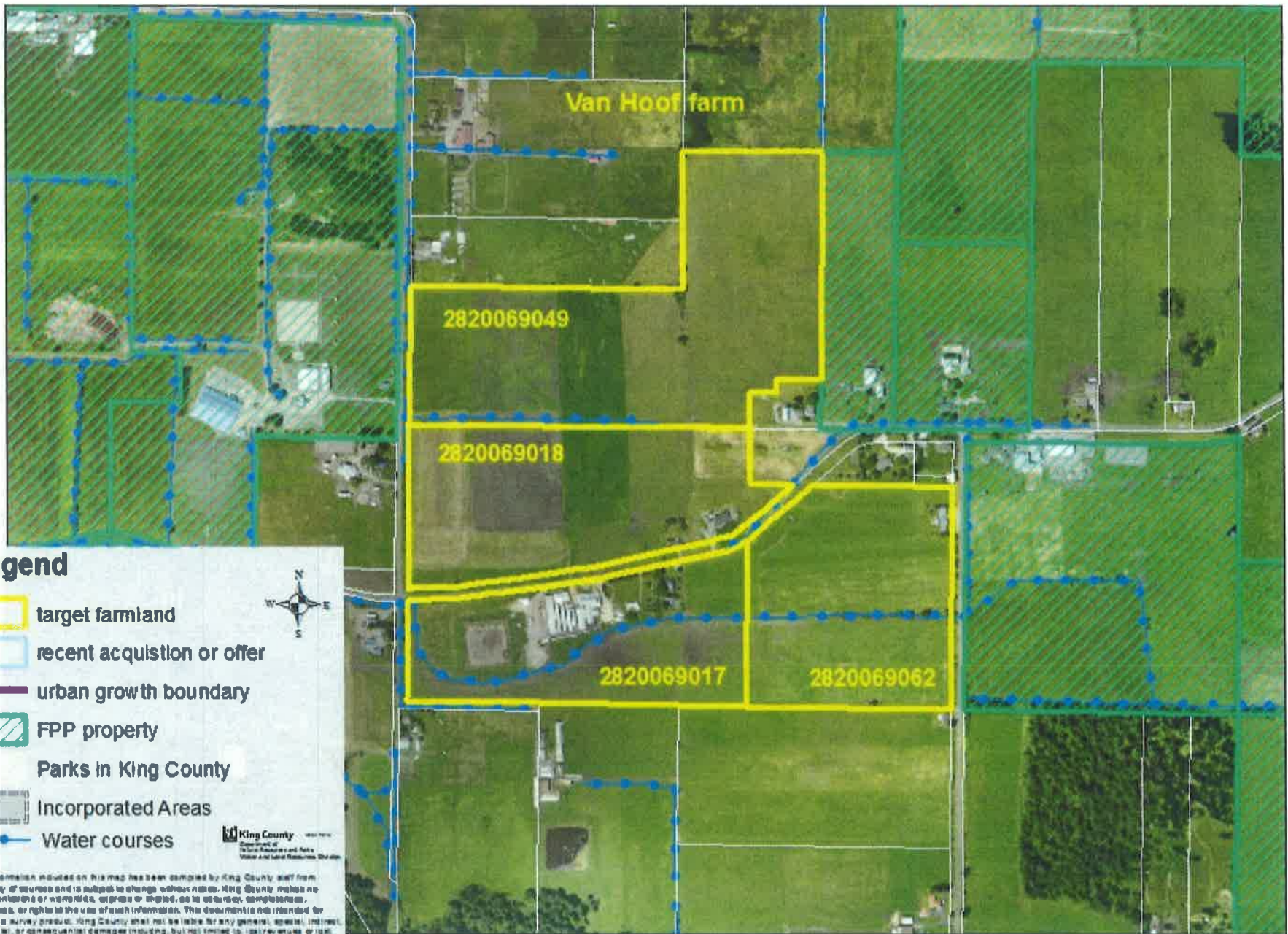


CFT 2016 Dairy Initiative - Wetzel farm

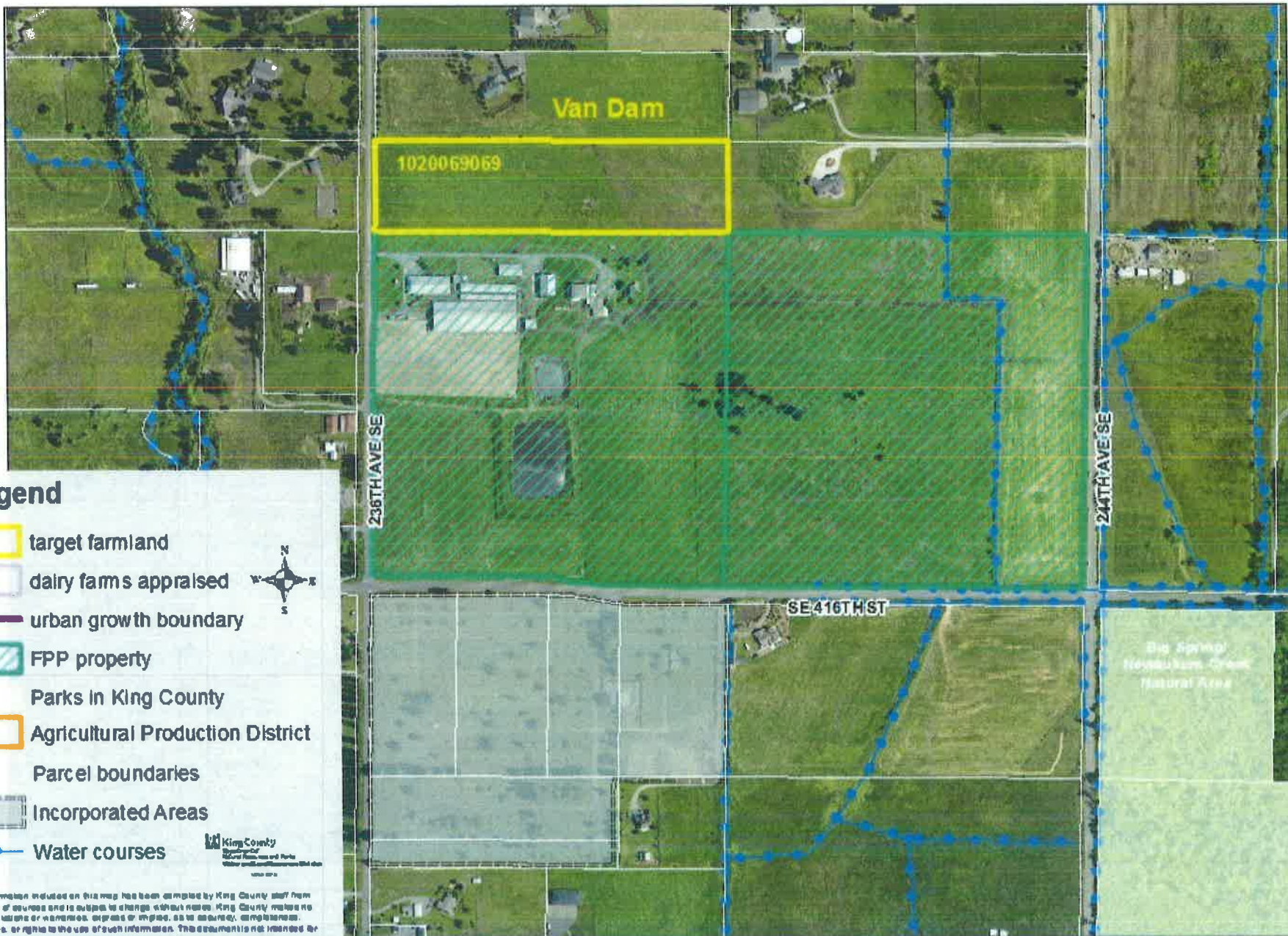


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CFT 2016 Dairy Initiative - Prijatel farm



CFT 2016 Dairy Initiative - Van Hoof farm



Legend

- target farmland
- dairy farms appraised
- urban growth boundary
- FPP property
- Parks in King County
- Agricultural Production District
- Parcel boundaries
- Incorporated Areas
- Water courses



King County
 Office of Planning and Development
 2010-2011

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0 500 1,000 Feet

CFT 2016 Dairy Initiative - Van Dam farm